

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 ERDA-05 AID-05 CEA-01 CIAE-00
CIEP-00 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07
INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 OES-06 SP-02
SS-15 STR-04 TRSE-00 ACDA-07 NSCE-00 SSO-00 USIE-00
INRE-00 /087 W

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O R 251639Z FEB 77
FM AMEMBASSY QUITO
TO SECSTATE WASHDC IMMEDIATE 3316
INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 1246

E.O. 11652: GDS
TAGS: EINV ENRG PFOR EC
SUBJ: GULF AGREEMENT

1. I SAW THE FINANCE MINISTER THE EVENING OF FEB. 24 TO EXPRESS MY CONCERN OVER THE SLOW PROGRESS ON CONCLUDING THE GULF AGREEMENT. HE RETURNED FROM NEW YORK OVER THE WEEKEND AFTER HAVING SIGNED THE LOEB-RHOADES LOAN AGREEMENT. THE AGREEMENT ACTUALLY CONSISTS OF AN UNDERTAKING BY LOEB-RHOADES TO PLACE \$100 MILLION IN PROMISSORY NOTES WITH BANKS AND OTHER INVESTORS. THIS OPERATION WILL TAKE TWO WEEKS.

2. I OBSERVED THAT OTHER PARTS OF THE GOE WERE RAISING OBSTACLES TO A SPEEDY CONCLUSION OF THE GULF MATTER: THE ATTORNEY GENERAL'S INSISTENCE THAT THE LETTERS OF CREDIT COVERING THE \$35 MILLION OUTSTANDING BE UNDER ECUADOREAN JURISDICTION, CEPE'S DEMAND THAT IT BE PAID BY MARC RICH FOR THE RUTH CARGO BEFORE SINGING WITH GULF, ETC. THE MINISTER SAID THAT HE FELT HE COULD GET GENERAL DURAN TO OVERRULE THESE AGENCIES ONCE HE HAD THE INITIAL \$82 MILLION TO PAY GULF.

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3. I THEN MENTIONED THE HIGH-LEVEL MISSION WHICH THE GOE HAD REQUESTED BE RECEIVED IN WASHINGTON. I NOTED THAT, IF THE USG WERE ABLE TO RECEIVE THE MISSION AT THIS TIME (WHICH I SAID WAS STILL UNDER CONSIDERATION), IT WOULD HELP CREATE A GOOD ATMOSPHERE FOR THE VISIT IF THE GULF AGREEMENT WERE OUT OF THE WAY.

4. THE MINISTER (WHO APPARENTLY HAD BEEN UNAWARE OF THE PROPOSED MISSION) SAID THAT THIS WAS AN EXTREMELY IMPORTANT POINT AND THAT HE WOULD USE THE SAME ARGUMENT WITHIN THE GOVERNMENT TO TRY TO PUSH THE GULF AGREEMENT THROUGH. HE URGED ME TO DO THE SAME. HE SAID HE HAD ALREADY URGED LOEB-RHOADES TO GET THE PLACEMENT FINISHED QUICKLY.

5. COMMENT: UNFORTUNATELY, THE MINISTER LEAVES TODAY FOR AN OPEC MEETING IN VIENNA AND WILL BE AWAY FOR A WEEK. IN ANY CASE, I DOUBT THAT THE LOEB-RHOADES FINANCING WILL BE COMPLETED IN LESS THAN TWO WEEKS. IF THE DEPARTMENT AGREES TO RECEIVE THE GOE MISSION, I WILL MAKE THE CONNECTION BETWEEN THE GULF MATTER AND THE ATMOSPHERE IN WASHINGTON. BLOOMFIELD

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Message Attributes

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Copy: SINGLE
Sent Date: 25-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Subject: GULF AGREEMENT
TAGS: EINV, ENRG, PFOR, EC, GULF
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